



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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July 25, 2002

CERTIFIED RETURN RECEIPT
7099 3400 0016 8895 5125

John Henderson
Chief Consolidated Mining Company
15988 Silver Pass Road
P.O. Box 51
Eureka, Utah 84628

Re: Remaining Commitments and Bonding Issues, Tintic Utah Metals, LLC, Burgin Mine (M/049/009), and Chief Consolidated Mining Company, Trixie Shaft (M/049/024), Utah County, Utah

Dear Henderson:

Thank you for supplying the updated map and the Tailings Disposal Amendment, and the completed Reclamation Contract, which was received July 10, 2002. The purpose of this letter is to summarize the remaining unsettled issues associated with both the Burgin mine and Trixie mine. In order to finalize the Burgin permit, two remaining commitments need to be completed which are associated with the Dry Stack Tailings. These commitments, as outlined in a June 24, 2002, letter from Mike Lee need to be completed within the next 30 days.

1. Tintic will resubmit the Dry Stack Tailing permit application and modify as appropriate to address operational changes on or before May 31, 2002. (there were no changes made in the submittal received July 10, 2002).
2. Tintic will move the tailing by-product materials from the Burgin mine dump by May 31, 2002. The by-product material will either be placed in the dry stack area or it will be sold and removed from the Tintic property. Please provide confirmation that this has been done.

We have verified the information on the map which now shows the areas the site is permitted and bonded for. We added labels showing the acreage of each location onto the map,

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as was described in the table. The Reclamation Contract has been forwarded to upper management for approval and signatures. When this has been accomplished and when we have received the requested information, we will then be prepared to issue final approval of the Apex/Burgin permit amendment and will then forward the signed and executed copies to you for your files.

Regarding the Trixie Mine, the following bonding issues need to be taken care of immediately:

1. You verbally committed to posting the additional \$18,100 reclamation surety by the end of July, 2002. This will bring the total surety to the required \$57,900 amount for reclamation of the Trixie Mine. This surety was to have been posted by February 8, 2002, but was later extended to March 31, 2002. A replacement Reclamation Contract will also need to accompany the surety.

Thank you for your cooperation in finalizing these permitting issues. If you have any questions regarding these issues, please do not hesitate to call me at 538-5321 or Wayne Hedberg at 538-5286.

Sincerely,



Tom Munson
Senior Reclamation Specialist